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NEWLUND MINES LIMITED

2400 The Bank of Nova Scotia Building
44 King Street West
Toronto 1 - Ontario

NOTICE OF ANNUAL MEETING

To the Shareholders:

TAKE NOTICE that the Annual Meeting of Shareholders of NEWLUND MINES LIMITED will be held at Room 2400 The Bank of Nova Scotia Building, 44 King Street West, Toronto, Ontario, on Tuesday, the 31st day of March, 1970, at the hour of 11:00 o'clock in the forenoon, Eastern Standard Time, for the following purposes:—

- (a) To receive Reports of the Directors and Auditors for the year ended September 30, 1969;
- (b) To elect Directors;
- (c) To appoint Auditors; and
- (d) To transact such other business as may properly come before the Meeting.

A copy of the Reports and Balance Sheet to be submitted to the Meeting is enclosed herewith.

DATED at Toronto, Ontario, this 6th day fo March, 1970.

By Order of the Board,

P. C. FINLAY,
Secretary.

NOTE: If unable to attend in person please sign and return your Proxy in the envelope enclosed for that purpose.

NEWLUND MINES LIMITED

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Annual Meeting of Shareholders of the Company to be held on Tuesday, the 31st day of March, 1970, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. The solicitation will be primarily by mail, but proxies will be also solicited by regular employees of the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries and other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 6,008,808 shares of its capital stock. A shareholder who has given a proxy may revoke it at any time prior to its use either — (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the Meeting.

The Company has been informed that E. D. Wright beneficially owns directly or indirectly 887,500 shares or approximately 14.77% of the issued and outstanding shares of the Company, and that Louvicourt Goldfield Corporation (No Personal Liability) beneficially owns directly or indirectly 795,875 shares or approximately 13.25% of the issued and outstanding shares of the Company.

ELECTION OF DIRECTORS

At the Annual Meeting a Board of five Directors is to be elected, to hold office until the next Annual Meeting of Shareholders or until their successors are elected, and it is the intention of the persons named in the enclosed form of proxy to vote such proxy for the election of the following persons, being the present Directors of the Company, who are standing for re-election.

The Management does not contemplate that any nominee will be unable to serve as a Director for any reason, but should this be the case, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in his place and stead.

The names of all the Directors, their principal occupation or employment, the years in which they became Directors of the Company and the approximate number of shares of the Company beneficially owned by them, directly or indirectly, as of the 5th day of March, 1970, are as follows:

Name	Position with Company	Present Principal Occupation	Director since	Number of Shares beneficially held
E. D. Wright	President and Director	Chartered Accountant	30 March 1967	887,500
J. R. Booth	Vice-President, General Manager and Director	President of New Mylagmaque Exploration Limited	30 March 1967	1

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of Shares beneficially held</u>
P. C. Finlay	Secretary-Treasurer and Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson	5 July 1955	1
H. Hunter	Assistant Secretary-Treasurer and Director	Accountant	5 March 1970	500
J. F. Lake	Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson	5 March 1970	1

Each of the above named persons has held the principal occupation indicated for at least five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- (1) No remuneration was paid by the Company during the fiscal year ended September 30, 1969, to the Directors or senior Officers of the Company.
- (2) The Company does not have any pension plan for the benefit of its Officers or employees.
- (3) Pursuant to an Agreement dated the 16th day of May, 1968, the Company granted to John R. Booth, Director and General Manager of the Company, a non-transferable option to purchase 30,000 shares of the capital stock of the Company at the price of 23 cents per share exercisable on or before the 6th day of May, 1970, provided that not more than 15,000 shares may be purchased prior to May 6, 1969. To date John R. Booth has not exercised his option to purchase any of the aforesaid shares.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the reappointment of Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, Toronto, as Auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Messrs. Thorne, Gunn, Helliwell & Christenson and its predecessor, Messrs. Gunn, Roberts & Co., have been Auditors of the Company for more than five years.

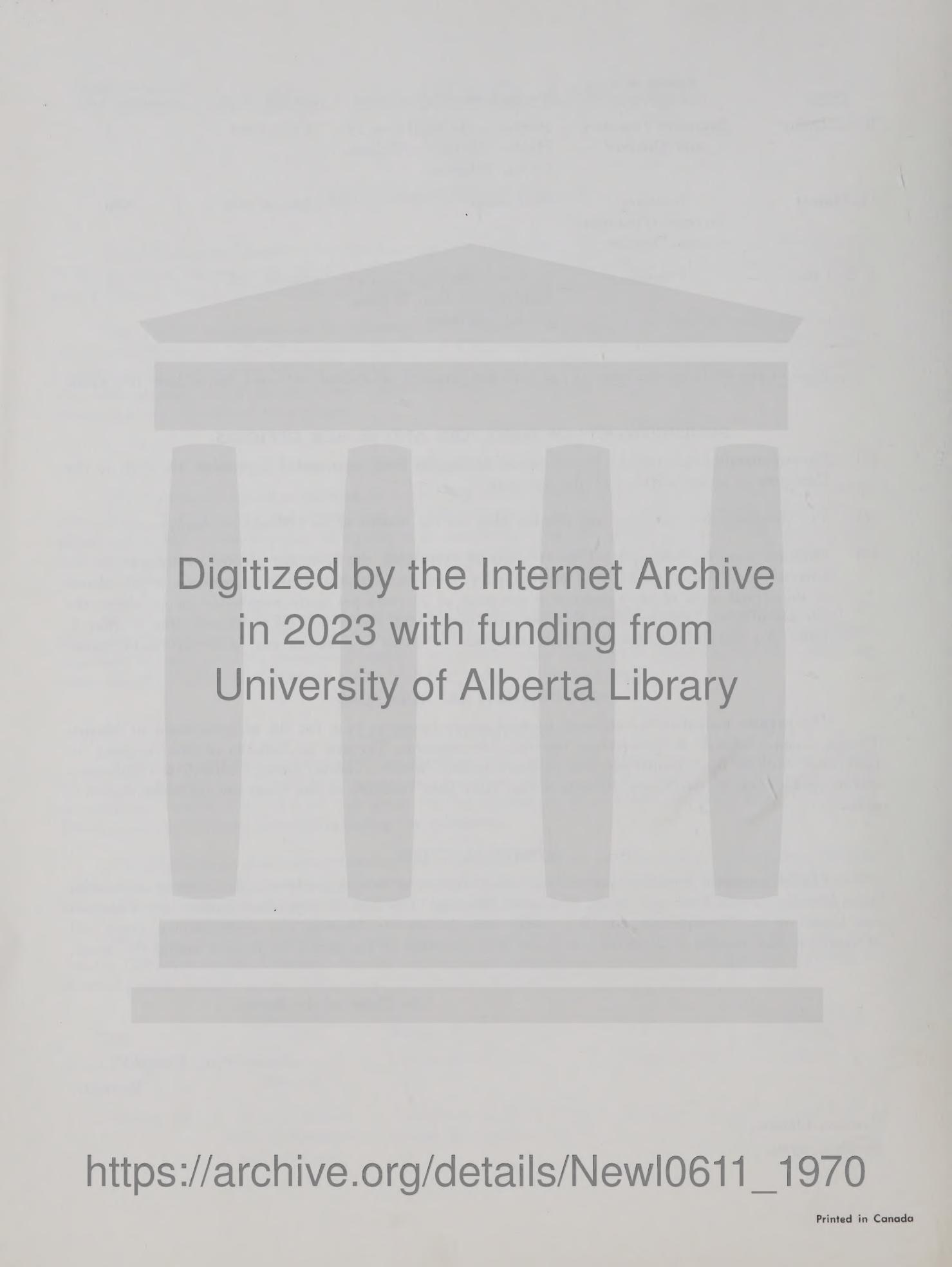
OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

By Order of the Board,

P. C. FINLAY,
Secretary.

Toronto, Ontario,
March 6, 1970.



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NEWLUND MINES LIMITED

Twenty-First Annual Report



For the Year Ending September 30th, 1970

NEWLUND MINES LIMITED

Twenty-First Annual Report

For the fiscal year ended September 30th, 1970

Authorized Capital — 10,000,000 shares of \$1.00 Par Value
Issued Capital — 6,008,808 shares
Incorporated under the Laws of Ontario



OFFICERS

E. D. WRIGHT	- - - - -	President
J. R. BOOTH	- - - - -	Vice-President and General Manager
P. C. FINLAY, Q.C.	- - - - -	Secretary-Treasurer
H. HUNTER	- - - - -	Assistant Secretary-Treasurer

DIRECTORS

J. R. BOOTH	- - - - -	Toronto
P. C. FINLAY, Q.C.	- - - - -	Toronto
H. HUNTER	- - - - -	Toronto
J. F. LAKE, Q.C.	- - - - -	Toronto
E. D. WRIGHT	- - - - -	Toronto

TRANSFER AGENT AND REGISTRAR

CANADA PERMANENT TRUST COMPANY

1901 Yonge Street
Toronto, Ontario

SOLICITORS

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON
2400 The Bank of Nova Scotia Building
Toronto, Ontario

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON
Toronto, Ontario

HEAD OFFICE

2400 The Bank of Nova Scotia Building
Toronto, Ontario

NEWLUND MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit herewith the Balance sheet of your Company as at September 30th, 1970 duly reported upon by the Auditors of your Company, together with the Statement of Exploration and Administrative Expenditures, Statement of Deficit and Statement of Source and Application of Funds for the year ended September 30th, 1970.

The Hyman Township claim group was allowed to lapse as the world uranium marketing situation is far from being clarified at this time.

The Woolaston Lake Area permit was abandoned for the same reason

The copper-silver-gold property negotiations were unable to be successfully completed and this project has been temporarily shelved.

A 30 claim group has been purchased outright in Nelligan Township of Quebec. Nickel occurrences have been noted and exploratory work will be carried out this summer.

The property in Echo Township on which 700,000 tons of .25 oz. of gold has been outlined has been kept in good standing. The Company immediately adjacent on the east is, we believe, planning a geophysical program for the coming spring.

No change took place during the year in our holdings of Louvicourt Goldfield Corporation. Their ten claim group in the Sturgeon Lake Area has had a magnetometer and EM 17 survey completed in the last week. An anomalous zone has been outlined paralleling a greenstone granite contact for a length of four thousand feet. Louvicourt intends to drill this anomaly as soon as possible.

As new developments are undertaken, the shareholders will be kept advised.

On behalf of the Board,

E. D. WRIGHT,
President.

Toronto, Ontario,
March 2nd, 1971.

NEWLUND M
(Incorporated un

Balance Sheet
(with comparative figures)

	ASSETS	
	1970	1969
Current Assets		
Cash	\$ 398	\$ 15,122
Marketable securities, at cost less allowance of \$170,500 (\$101,000 in 1969) for decline in value (quoted market value 1970, \$102,355; 1969, \$196,910)	102,339	202,331
	<u>102,737</u>	<u>217,453</u>
Interest in Other Companies		
Unlisted shares, at cost	32,020	70,770
Advances	59,442	43,835
	91,462	114,605
Less allowance for decline in value	32,000	92,000
	59,462	22,605
Other shares (including dormant subsidiary company), at nominal values	5	5
	<u>59,467</u>	<u>22,610</u>
Mining Properties and Claims		
Patented mining claims in Echo Township, Ontario, at nominal value	1	1
Interest in mining claims, at nominal value	1	1
Mining claims held under miner's licenses in Hyman Township, Ontario, at cost	9,253	8,000
Mining claims held under miner's licenses in McPhail Township, Ontario, at cost	900	1,500
Mining claims held in Biscotasing area, Ontario, at cost	1,500	
Mining claims held in Nelligan Township, Quebec, at cost	900	
	<u>12,555</u>	<u>8,002</u>
Other Assets		
Interest in buildings and equipment, Echo Township, Ontario, at nominal value	1	1
Interest in grubstake, at cost	500	
	<u>1</u>	<u>501</u>
Deferred Exploration Expenditures	<u>14,492</u>	<u>10,301</u>
	<u>\$ 189,252</u>	<u>\$ 258,867</u>

Approved by the Board:

E. D. WRIGHT, Director.

P. C. FINLAY, Director.

NEES LIMITED

(Under the laws of Ontario)

September 30, 1970

(At September 30, 1969)

LIABILITIES

Current Liabilities

	1970	1969
Bank loan (secured by marketable securities)	\$ 4,000	
Accounts payable and accrued liabilities	3,800	\$ 4,275
Loan from director	2,400	
	<u>10,200</u>	<u>4,275</u>

SHAREHOLDERS' EQUITY

Capital Stock

Authorized — 10,000,000 shares of \$1 each

Issued — 6,008,808 shares	6,008,808	6,008,808
Less discount on shares	2,497,150	2,497,150
	<u>3,511,658</u>	<u>3,511,658</u>
Deficit	3,332,606	3,257,066
	<u>179,052</u>	<u>254,592</u>

\$ 189,252 \$ 258,867

AUDITORS' REPORT

To the Shareholders of
Newlund Mines Limited

We have examined the balance sheet of Newlund Mines Limited as at September 30, 1970 and the statements of exploration and administrative expenditures, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
November 12, 1970.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

NEWLUND MINES LIMITED

Statement of Exploration and Administrative Expenditures

Year ended September 30, 1970
(with comparative figures for 1969)

	1970	1969
Exploration Expenditures		
Echo Township, Ontario	\$ 942	\$ 1,813
Biscotasing area, Ontario	1,154	
Oro Blanca District, Arizona	2,194	
McPhail Township, Ontario	1,197	
Hyman Township, Ontario	171	150
Daniel Township, Quebec	120	
Cavendish Township, Ontario (optioned claims)		33,012
	5,658	35,095
Administrative and Corporate Expenses		
Office services	2,400	2,400
Share transfer expenses	4,137	3,962
Legal and audit fees	4,369	5,459
Shareholders' information and annual meeting expenses	1,656	1,349
Stock exchange fees	100	2,123
Application for supplementary letters patent		1,410
Interest		686
Travel	96	467
Miscellaneous expenses	325	182
	13,083	18,038
Expenditures for the year	18,741	53,133
Balance deferred at beginning of year	10,301	14,198
	29,042	67,331
Deduct Amounts Written Off to Deficit		
Exploration expenditures		
Cavendish Township, Ontario (optioned claims)		37,179
Daniel Township, Quebec	525	
Echo Township, Ontario	942	1,813
	1,467	38,992
Administrative and corporate expenses	13,083	18,038
	14,550	57,030
Balance deferred at end of year	\$ 14,492	\$ 10,301

SUMMARY OF EXPENDITURES DEFERRED

Exploration Expenditures	\$ 1,154	\$ 525
Biscotasing area, Ontario	1,154	
Daniel Township, Quebec	9,947	9,776
Hyman Township, Ontario	2,194	
Oro Blanca District, Arizona	1,197	
McPhail Township, Ontario		1,197
	\$ 14,492	\$ 10,301

NEWLUND MINES LIMITED

Statement of Deficit

Year ended September 30, 1970
(with comparative figures for 1969)

	1970	1969
Balance at beginning of year	<u>\$3,257,066</u>	<u>\$3,162,102</u>
Add		
Amounts written off		
Cost of option on mining claims abandoned	1,467	7,000
Exploration expenditures	34,943	38,992
Advances to other companies	500	
Interest in grubstake	38,750	
Investment in other companies	13,083	18,038
Administrative and corporate expenses	88,743	64,030
Allowance for decline in value of securities and advances	9,500	68,000
Deduct profit on sale of securities	98,243	132,030
	<u>22,703</u>	<u>37,066</u>
	<u>75,540</u>	<u>94,964</u>
Balance at end of year	<u><u>\$3,332,606</u></u>	<u><u>\$3,257,066</u></u>

Statement of Source and Application of Funds

Year ended September 30, 1970
(with comparative figures for 1969)

	1970	1969
Source of Funds		
Issue of capital stock	\$ 138,750	
Sale of shares in other companies	6,566	
Profit on sale of marketable securities	<u>\$ 22,703</u>	<u>48,000</u>
	<u><u>22,703</u></u>	<u><u>193,316</u></u>
Application of Funds		
Exploration and administrative expenditures	18,741	53,133
Shares in other companies	38,750	
Advances to other companies	50,550	43,835
Increase in allowance for decline in value of marketable securities	69,500	13,000
Increase in interest in mining syndicate	500	
Cost of mining claims acquired	4,553	
Payments on options to purchase mining claims	6,000	
	<u><u>143,344</u></u>	<u><u>155,218</u></u>
Increase (decrease) in working capital	<u>(120,641)</u>	<u>38,098</u>
Working capital at beginning of year	<u>213,178</u>	<u>175,080</u>
Working capital at end of year	<u><u>\$ 92,537</u></u>	<u><u>\$ 213,178</u></u>

SCHEDULE A

NEWLUND MINES LIMITED

Details of Marketable Securities

September 30, 1970

	Market Value	Cost
Listed Shares		
248,000 Anthonian Mining Corporation	\$ 12,400	\$ 55,672
9,800 Iso Mines	18,326	8,883
795,875 Louvicourt Goldfield Corp.	71,629	208,284
	<hr/>	<hr/>
	102,355	272,839
Less allowance for decline in value		170,500
	<hr/>	<hr/>
	<u>\$ 102,355</u>	<u>\$ 102,339</u>

SCHEDULE B

Details of Interest in other Companies

September 30, 1970

Unlisted Shares, at Cost

166,666 $\frac{2}{3}$ Penn-Nuclear Corporation	\$ 24,631
34,000 Penn-Nuclear Corporation preferred	7,389
	<hr/>
	32,020

Advances

Penn-Nuclear Corporation	\$ 5,392
Louvicourt Goldfield Corp.	54,050
	<hr/>
	59,442
Less allowance for decline in value	91,462
	<hr/>
	32,000
	<hr/>
	<u>\$ 59,462</u>

Other Shares at Nominal Value

500,000 Lempira Mines (including 450,000 shares in escrow)	\$ 1
200,000 Roycam Copper Mines (including 100,000 shares in escrow)	1
3,605 Kyak Quebec Mines (subsidiary company)	1
99,594 Vercheres Ore-Oils (including 20,594 shares in escrow)	1
20,000 Croinor Pershing Mines	1
	<hr/>
	<u>\$ 5</u>

SCHEDULE C

NEWLUND MINES LIMITED

Details of Exploration Expenditures by Properties

Year ended September 30, 1970

Exploration Expenditures

Echo Township, Ontario

Insurance	\$ 35
Acreage taxes	913
Sundry	4
	—
Deduct rentals	952
	10 \$ 942

Biscotasing Area, Ontario

Assaying	98
Trenching, sampling and mapping	1,056
	—

Oro Blanca District, Arizona

Consulting fees and expenses	2,146
Transportation	48
	—

McPhail Township, Ontario

Consulting fees and expenses	215
Transportation	290
Staking	590
Assaying	52
Mining license	50
	—

Hyman Township, Ontario

Mining license	50
Sundry	121
	—

\$ 5,658

SCHEDULE D

Profit on Sale of Marketable Securities

Year ended September 30, 1970

Listed Shares

Iso Mines	\$ 27,695
Less loss on Anthonian Mining Corporation	4,992
	—

\$ 22,703

